

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6695**

**BILL NUMBER:** HB 1172

**NOTE PREPARED:** Jan 5, 2011

**BILL AMENDED:**

**SUBJECT:** Indiana Heritage Trust Fund.

**FIRST AUTHOR:** Rep. Pelath

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill adds the Indiana Heritage Trust Fund as a charitable fund to which an individual or a husband and wife filing a joint return may choose to give all or part of any adjusted gross income tax refund that the individual or husband and wife are entitled to receive. The bill specifies the requirements for donating all or part of the refund. It requires the Indiana Heritage Trust Project Committee to include representation of the Indiana Dunes Preservation Community and the Lake Michigan Lakeshore Preservation Community.

**Effective Date:** July 1, 2011; January 1, 2012.

**Explanation of State Expenditures:** The Department of State Revenue (DOR) will incur additional expenses to revise tax forms, instructions, and computer programs to reflect the tax refund checkoff for the Indiana Heritage Trust Fund. The DOR's current level of resources should be sufficient to implement these changes.

**Explanation of State Revenues:** The bill establishes a checkoff for income tax refunds to be designated to the Indiana Heritage Trust Fund. The checkoff applies beginning in tax year 2012. The number of taxpayers with refunds who may select the Heritage Trust Fund checkoff and the amounts such taxpayers may direct to the checkoff is indeterminable. However, adding a checkoff could potentially reduce the amount that would otherwise be designated by taxpayers to the Indiana Non-Game and Endangered Wildlife Fund. This fund is the only income tax refund checkoff that exists under current statute. In tax year 2008, the Fund collected \$501,031 from 26,716 tax returns. This is an average of about \$18.75 per filer.

*Background.* Since tax year 2000, the checkoff for the Non-Game and Endangered Wildlife Fund has generated the annual activity summarized in the table below.

Revenue Designated by Taxpayers to the Non-Game and Endangered Wildlife Fund			
Year	Filers Designating Refunds	Total Refunds Designated	Average Refund Amount Designated
2000	35,281	\$342,578	\$9.71
2001	33,627	\$358,466	\$10.66
2002	32,697	\$362,636	\$11.09
2003	29,069	\$363,478	\$12.50
2004	29,487	\$463,257	\$15.71
2005	28,377	\$414,475	\$14.61
2006	26,963	\$372,398	\$13.81
2007	26,760	\$377,096	\$14.09
2008	26,716	\$501,031	\$18.75

The bill also requires the Indiana Heritage Trust Project Committee to include representation of the Indiana Dunes Preservation Community and the Lake Michigan Lakeshore Preservation Community. This provision should have little, if any, impact.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DOR.

**Local Agencies Affected:**

**Information Sources:** DOR.

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